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Industrial Development Board

Tenth session

SUMMARY RECORD OF THE 8th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 6 November 1992, at 5 p.m.

President: Mr. BALAZS (Hungary)

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The meeting was called to order at 5.55 p.m.

INTRODUCTION OF DRAFT DECISIONS (IDB.10/L.1-L.16, L.18-L.21)

1. The PRESIDENT said that agenda items 3-14 and 16-17 were still open for the adoption of decisions. He would now ask the Board to consider draft decisions on those items that had been the subject of discussion in informal consultations (IDB.10/L.1-16, L.18-21).

2. Mrs. MACHADO QUINTELLA (Brazil), speaking as chairman of the informal consultations established with a view to facilitating the drafting of decisions, informed the Board that consensus had been reached on 19 draft decisions. Items 10, 12 and 13 (a) had not been considered, since no draft texts had been produced. It had been agreed at the consultations to recommend to the Board that it should take note of the conclusions of the Programme and Budget Committee relevant to items 4 (b), 4 (c), 4 (e) and 4 (f), for which no draft decisions had been submitted.

3. After the drafting group had completed its work, some delegations had sought to introduce minor changes, such as revised phrasing, transposition of paragraphs or alterations to titles. Although such amendments might have improved the wording of the texts, they could not be accepted.

PROGRESS REPORT FOR 1992 ON SPECIFIC UNIDO ACTIVITIES (continued) (IDB.10/18 and Add.1; IDB.10/L.1, L.3)

4. The PRESIDENT drew the Board's attention to the draft decision related to the UNIDO energy programme (IDB.10/L.1).

5. Mrs. MACHADO QUINTELLA (Brazil) said that the title of the text of the draft decision discussed by the informal consulting group had simply been "Energy", not "UNIDO energy programme", and that consensus had been reached on the basis of the shorter title.

6. Mr. ARCILLA (Observer for the Philippines) proposed that, to make the wording consistent with the Director-General's mandate, the phrase "the strengthening of" should be inserted after "To promote" in paragraph (b) (iii).

7. Mr. HELLER (Mexico) asked whether observers could propose amendments to draft decisions.

8. The PRESIDENT said that observers should normally make their proposals through members of the Board, but that since no objections had been raised, the decision could be adopted in its amended form.

9. The draft decision (IDB.10/L.1), as amended, was adopted.

10. The PRESIDENT drew the Board's attention to the draft decision on human resource development (IDB.10/L.3).

11. The draft decision was adopted.

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (continued) (IDB.10/14)

(a) REPORT OF THE EXTERNAL AUDITOR, FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 1990-1991 (continued) (IDB.9/10 and Corr.1 and 2; IDB.10/3, 4, 11 and Add.1, IDB.10/25; IDB.10/L.15)

12. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.15.

13. The draft decision was adopted.

(b) USE OF UNUTILIZED BALANCES OF APPROPRIATIONS (continued)

14. The PRESIDENT said that the chairman of the informal consultations had suggested that the Board should take note of conclusion 92/3 of the Programme and Budget Committee. He therefore proposed that the Board should take note that, in compliance with the request in General Conference decision GC.4/Dec.15, the External Auditor had submitted his opinion to the Programme and Budget Committee on the allocation of any retained unutilized balances of the regular budget

appropriations of UNIDO to those regional programmes that had been affected and that the Programme and Budget Committee in its conclusion 92/3 had taken note of that report with appreciation.

15. It was so decided.

(c) IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EXTERNAL AUDITOR FOR THE FINANCIAL PERIOD 1988-1989 (continued) (IDB.10/6/Rev.1, IDB.10/26)

16. The PRESIDENT said that the drafting group had proposed that the Board should take note of conclusion 92/4 of the Programme and Budget Committee on the subject.

17. It was so decided.

(d) FINANCIAL SITUATION OF UNIDO (continued) (IDB.10/9, 27; IDB.10/L.9, L.18)

18. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.9 on losses related to small catering items.

19. Draft decision IDB.10/L.9 was adopted.

20. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.18 on the financial situation.

21. Viscount VILAIN (Belgium) proposed that, in order to reflect the outcome of the drafting group's discussions, in paragraph (h) the phrase "to minimize the administrative and support expenses" should be replaced by "to minimize administrative expenses, in particular with regard to recruitment and the extension of contracts at the D level, and support expenses".

22. Ms. OK (Turkey) said that the amendment was unacceptable to her delegation.

23. Mr. MACHIN (United Kingdom) said that the text of the draft decision, as submitted, had been arrived at after many hours of discussion and represented the best possible consensus.

24. Mr. PUTHO (Thailand), speaking on behalf of the Asian Group, said that the proposal of the representative of Belgium was unacceptable.

25. Mr. EZZAT (Egypt) said that his delegation wished to express its reservations on the proposal.

26. Viscount VILAIN (Belgium) withdrew his amendment on the understanding his delegation's reservations on the draft decision would be recorded.

27. Draft decision IDB.10/L.18 was adopted.

28. Mr. GOMEZ MENDEZ (Colombia), speaking on behalf of the Latin American and Caribbean Group, said that the countries in question, which had joined in the consensus on draft decision IDB.10/L.18, wished to express their continuous support for the intensive efforts made by the staff of the Organization in the performance of their duties and for the exercise of their legitimate rights. The Latin American and Caribbean Group would have preferred the inclusion of a reference to the need for any commitments concerning D-level staff to be deferred until the arrival of a new Director-General, in view of the possibility of changes in the organizational structure of UNIDO and the need to maintain an equitable geographical distribution in senior posts.

29. Mr. TAIANA (Argentina) said that on 29 October 1992 his Government had transferred the sum of $734,712 to UNIDO in payment of its outstanding assessed contributions and was anxious to settle the balance of its arrears as quickly as possible. The situation regarding the national accounts of Argentina had improved appreciably as a direct result of the Government's economic recovery plan and the reduction in its fiscal deficit. The Government had that day signed a technical assistance agreement with UNIDO with a view to strengthening the international investment promotion programme in Argentina. The agreement would make it possible to initiate immediately a second phase of the investment promotion programme in Argentina, under which a national contribution of $350,000 had been scheduled. His Government wished to reaffirm its confidence in UNIDO's future and the competence of its staff. Industrial development had high priority in Argentina's economic recovery programme. The new political and economic situation brought renewed hope for multilateral cooperation, in which there would be a special place for UNIDO, which needed to restructure and prepare itself in order to achieve what the developing countries, particularly the least developed ones, expected of it.

(e) APPLICATION OF THE SPLIT-CURRENCY SYSTEM OF ASSESSMENT (continued) (PBC.8/11)

30. The PRESIDENT proposed that the Board, recalling General Conference resolution GC.4/Res.27, paragraph 8, should take note of conclusion 92/7 of the Programme and Budget Committee on the appropriateness of the second sentence of financial regulation 5.1 (d) concerning the split-currency system of assessment.

31. It was so decided.

(f) OPERATIONAL BUDGET: REIMBURSEMENT FOR PROGRAMME SUPPORT AND ADMINISTRATIVE SERVICES (continued) (IDB.10/7, 8)

32. The PRESIDENT suggested that the Board, recalling General Conference resolution GC.4/Res.28, should take note of conclusion 92/8 of the Programme and Budget Committee concerning the application of financial rule 106.21.

33. It was so decided.

(g) GUIDELINES AND PROCEDURES GOVERNING ACCEPTANCE AND FUNDING UNDER SPECIAL TRUST FUNDS, INDUSTRIAL DEVELOPMENT FUND AND THE REGULAR BUDGET (continued) (IDB.10/10)

34. The PRESIDENT noted that no action by the Board was called for under item 4 (g).

(h) MEDIUM-TERM PLAN, 1994-1999 (INCLUDING GENERAL CEILING FOR THE BIENNIUM 1994-1995 (continued) (IDB.10/5 and Add.1, IDB.10/29; IDB.10/L.8, L.21)

35. The PRESIDENT drew the Board's attention to two draft decisions on item 4 (h): draft decision IDB.10/L.8 on the medium-term plan 1994-1999 and the ceiling for the first biennium, and draft decision IDB.10/L.21 on the relative priorities within the medium-term plan activities.

36. Draft decision IDB.10/L.8 was adopted.

37. Draft decision IDB.10/L.21 was adopted.

(i) INDUSTRIAL DEVELOPMENT FUND AND OTHER VOLUNTARY CONTRIBUTIONS (continued) (ID9.9/10, chap. VIII, paras. 14-20 and appendix G; IDB.10/2; IDB.10/L.11)

38. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.11 on the Industrial Development Fund.

39. The draft decision was adopted.

(j) ELECTRONIC DATA-PROCESSING PROGRAMME (continued) (IDB.10/30)

40. The PRESIDENT noted that no action by the Board was called for under item 4 (j).

(k) FINANCIAL REGULATION 4.1, PARAGRAPHS (d) AND (e) (continued) (IDB.10/L.16)

41. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.16.

42. The draft decision was adopted.

(l) UNIDO COUNTRY DIRECTOR PROGRAMME (continued) (IDB.10/34; IDB.10/L.6)

43. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.6.

44. The draft decision was adopted.

SPECIAL PROGRAMME FOR INDUSTRIAL DEVELOPMENT IN THE ARAB COUNTRIES (continued) (IDB.10/12-GC.5/5; IDB.10/L.7)

45. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.7.

46. The draft decision was adopted.

UNIDO ENVIRONMENT PROGRAMME (continued) (IDB.10/17, 32; IDB.10/L.20)

47. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.20.

48. The draft decision was adopted.

GUIDELINES FOR SPECIAL TRUST FUND PROJECTS (continued) (IDB.10/8, 10, 15; IDB.10/L.5)

49. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.5.

50. The draft decision was adopted.

MOBILIZATION OF FINANCIAL RESOURCES FOR INDUSTRIAL DEVELOPMENT (continued) (IDB.10/20-GC.5/6; IDB.10/L.2)

51. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.2.

52. The draft decision was adopted.

THE EXTERNAL DEBT AND INDUSTRIAL DEVELOPMENT (continued) (IDB.10/20-GC.5/6; IDB.10/L.10)

53. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.10.

54. The draft decision was adopted.

55. Mrs. BECKER (United States of America) said that her Government was unable to associate itself with the draft decision since it did not fully reflect developments during the past year in the external debt situation. Debt problems should not be viewed in isolation and debt relief alone was not a solution. Although substantial resources were being provided by official donors on both a bilateral and a multilateral basis, the necessity of attracting private flows had become increasingly important. Debtor countries needed to initiate market-opening measures to stimulate private investment and to encourage the return of flight capital. Development of alternative sources of non-debt capital flows was essential for the funding of new growth.

56. Dramatic progress had been made under the voluntary market-based international debt strategy. Twelve countries had now concluded debt-reduction or refinancing agreements with their commercial banks and, upon completion of the Argentine and Brazilian agreements, the strategy was expected to have produced over $50 billion in effective debt reduction and lifted much of the remaining debt burden through market-based collateralization. The aggregate debt service ratio for all developing countries had fallen from 22 per cent in 1986 to 14 per cent in 1991.

57. The international capital markets had responded to the economic reforms and improved debt situation, secondary market trading having grown from $10 billion in 1987 to over $150 billion in 1992. The turn-round had been particularly apparent in the Latin American countries, which were increasingly entering the capital markets for new financing, including portfolio and investment capital, capital repatriation and new borrowings. Latin America had received some $40 billion in new private capital flows in 1991, compared with only $4 billion in 1989. The region had achieved 3 per cent growth in 1991, and its inflation had been reduced by two-thirds, while official reserves had doubled.

58. The international community had strongly supported the operations of the International Development Association's debt reduction facility, which was helping to reduce the commercial bank debt burdens of the poorest countries undertaking economic reforms. In December 1991, creditors had agreed in the Paris Club on the "Enhanced Toronto Terms", which included options providing for 50 per cent debt service reduction on payments falling due during the rescheduling period; to date, eight countries had benefited from those new terms. Official creditors had also agreed to consider a stock-of-debt approach, after a period of three or four years, for the poorest countries undertaking economic reforms. The Munich Summit had encouraged the Paris Club to recognize the special situation of some highly indebted lower middle-income countries on a case-by-case basis.

59. A number of creditor Governments had undertaken significant bilateral debt reduction programmes. Since 1990, her country had waived almost $2.7 billion in food-aid and development-assistance debt for 25 of the poorest developing countries in Africa, Asia, Latin America and the Caribbean. It had also undertaken debt reduction under the Enterprise for the Americas Initiative (EAI), a comprehensive programme for the hemisphere focusing on trade, investment, debt relief and the environment, under which food-aid

debt had been reduced by $263 million for three countries which met the economic reform criteria, and several additional countries were expected to qualify for such debt reduction in the ensuing months. The substantial debt and debt-service reduction undertaken was only one element in efforts to support the economic growth of the developing countries. Economic reforms and continued assistance from official bilateral and multilateral sources were also crucial.

EVALUATION OF THE OBJECTIVES AND FUNCTIONS OF UNIDO IN VIEW OF RECENT CHANGES AND DEVELOPMENTS IN THE WORLD (continued) (IDB.10/21)

60. The PRESIDENT announced that, in the absence of any draft decision, the item could be considered concluded.

HEADQUARTERS AGREEMENT BETWEEN UNIDO AND THE REPUBLIC OF AUSTRIA (continued) (IDB.10/23)

61. The PRESIDENT suggested that the Board should take note of the documentation and information provided by the Secretariat.

62. It was so decided.

ADMINISTRATIVE MATTERS (continued) (IDB.10/33, 36; IDB.10/CRP.1; IDB.10/L.12)

(a) JOINT INSPECTION UNIT (continued) (IDB.10/22)

(b) INTERNATIONAL CIVIL SERVICE COMMISSION (continued) (IDB.10/28; IDB.10/CRP.2; IDB.10/L.13)

63. The PRESIDENT said that no draft decision had been proposed under item 13 (a). He suggested that the Board should take note of the information provided by the Secretariat in document IDB.10/22.

64. It was so decided.

65. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.13 on item 13 (b).

66. The draft decision was adopted.

67. The PRESIDENT said that he wished to submit another draft decision (IDB.10/L.12), entitled "Composition of the UNIDO Staff Pension Committee". The text did not contain the name of the alternate member to be appointed, as nominations had not been received at the time the draft had been prepared. He was informed that Mr. A. Aziria (Algeria) had been nominated as alternate member. He asked whether there was any objection to the adoption of the draft decision revised to include the name of Mr. A. Aziria (Algeria).

68. Draft decision IDB.10/L.12, as revised, was adopted.

ACTIONS TO BE TAKEN BY THE INDUSTRIAL DEVELOPMENT BOARD FOLLOWING THE RESIGNATION OF THE DIRECTOR-GENERAL (continued) (IDB.10/L.4)

69. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.4. He suggested that the words "effective 28 February 1993" should be added after the word "Organization" in the third line of paragraph (a).

70. He wished to thank the Government of the Philippines and the Director-General for their understanding in agreeing that the Director-General's term of office should continue a further month in order to make possible the procedure proposed in the draft decision.

71. The draft decision, as revised by the President, was adopted.

72. Mr. PUTHO (Thailand) said that, in connection with the decision just taken, he wished to make a statement explaining Thailand's position regarding the item, which involved a matter of principle. Thailand could not accept amendments to the rules of procedure of the Board which conflicted with the Constitution of UNIDO. According to Article 9, paragraph 4 (f), of the Constitution, it was a function of the Board to appoint an Acting Director-General if the office of Director-General became vacant between sessions of the Conference. As was recognized in rule 1 of the rules of procedure of the Board, no provision of the rules could override the Constitution. Nor could Thailand accept the interpretation that Article 9, paragraph 4 (f), was not applicable merely because at the present time the Director-General was still in office, or that there was no vacancy at present. Whenever the office of Director-General became vacant for reasons other than completion of a term of office, an Acting Director-General must be appointed on a temporary basis until the new Director-General was appointed. That being the case, it would be appropriate to appoint the Acting Director-General from among the the Director-General's deputies.

73. The Constitution was a major legal instrument and its provisions must not be violated. Disputes among Members concerning the interpretation of the Constitution should also be avoided. Thailand therefore considered it necessary for the Legal Service of UNIDO to be strengthened so that firm advice, particularly about the legal interpretation and application of the Constitution, could be given in accordance with the general principles of the law, in a just, clear and prompt manner.

74. His delegation could go along with the decision just taken because it was not in conflict with Thailand's position. The principle of the law as reflected in the Constitution remained valid, and no amendment aimed at avoiding the application of the Constitution was involved.

75. Mr. SZABO (Hungary) said that his Government would be very happy if each candidate, along with the nomination, were to present in written form to the President of the Board his or her vision and plan concerning the overall restructuring of the Organization.

PREPARATORY ARRANGEMENTS FOR THE FIFTH SESSION OF THE GENERAL CONFERENCE (continued) (IDB.10/31; IDB.10/L.14)

76. The PRESIDENT suggested that, as a consequence of the decision just taken, item 16, entitled "Appointment of the Director-General", should be deleted from the provisional agenda of the fifth session of the General Conference in draft decision IDB.10/L.14, since the Director-General was now to be appointed at a special session of the Conference on 30 March 1993.

77. Draft decision IDB.10/L.14, as revised by the President, was adopted.

78. The PRESIDENT suggested that the Board should take note of the Director-General's report

(IDB.10/31) on the signing of the agreement between UNIDO and the Government of Cameroon concerning the venue of the fifth session of the General Conference.

79. It was so decided.

ORGANIZATIONAL AND STAFF STRUCTURE OF UNIDO (continued) (IDB.10/24; IDB.10/L.22)

80. Mr. MACHIN (United Kingdom), speaking on behalf of the European Community and its member States, said he would like to submit a draft decision on the item (IDB.10/L.22) which replaced two earlier proposals by member States of the Community that had both been withdrawn. The new text agreed upon by the Community member States had just been circulated.

81. Mr. TREMEAU (France) said that one of the two proposals that had been withdrawn had been from his delegation. The new text took into account France's concerns and should make possible a consensus decision which would allow UNIDO to concentrate on its essential tasks. His delegation was happy to support it.

82. In reply to a question from Mr. LEE (Republic of Korea), the PRESIDENT said that there was an error in the sub-heading of draft decision IDB.10/L.22, which should read "Draft decision submitted by the United Kingdom on behalf of the European Community".

83. Mr. AKOPOV (Russian Federation) drew attention to rule 43 of the Board's rules of procedure which provided that, as a general rule, proposals should not be put to the vote until the day after they had been circulated to delegations in the languages of the Board. Under the last sentence of rule 43, the waiving of this requirement would require a decision by the Board.

84. The PRESIDENT noted that the draft decision represented an amalgamation of two earlier drafts from the delegations of France and the United Kingdom. The Board could, of course, vote on the procedure to be followed.

85. Mr. AKOPOV (Russian Federation) said that he did not know when the previous drafts referred to had been submitted. The subject had not been discussed in informal consultations, and his delegation had only just seen the present draft, and then in English only. The decision might have very serious implications for the Organization and deserved detailed discussion. He therefore suggested that the matter should be postponed and no decision taken at the present session.

86. Mr. VETTOVAGLIA (Switzerland) did not think that the draft could be considered to have been submitted the previous day. The best solution would be for the Board to take a decision on the procedure under rule 43.

87. Mr. RIOBO (Chile) agreed with the view expressed by the President. The amalgamation of the drafts had facilitated the work of the Board.

88. The PRESIDENT asked whether the Board could agree to a proposal to consider draft decision IDB.10/L.22, in accordance with the procedure provided for in the last sentence of rule 43.

89. The proposal was adopted by a large majority.

The meeting was suspended at 7.15 p.m. and resumed at 7.45 p.m.

90. The PRESIDENT said it now appeared that the draft decisions from France and the United Kingdom that had preceded the European Community draft decision (IDB.10/L.22) had not in fact been circulated in all the languages of the Board.

91. Mr. PUTHO (Thailand), speaking on behalf of the Asian Group, noted that his Group had submitted a draft decision to the President earlier in the day and had been informed that the deadline for the submission of proposals had passed. The President had also indicated that he hoped to be able to submit a consensus draft, taking into account the various proposals. However, a draft proposal had now been submitted by a group of countries at short notice, and the meeting had apparently been delayed to allow circulation of that proposal. It therefore seemed that the rules of procedure had been applied selectively. The Asian Group considered that adequate time should be given for delegations to examine other proposals on the same subject before a decision was reached. The Group requested that its proposal should be circulated immediately. It also proposed that detailed consideration of the matter should be postponed until the next regular session of the Board.

92. The PRESIDENT said that he had hoped to be able to submit a consensus draft to the Board. There had been practical difficulties in convening the consultations that would have been necessary to enable him to arrive at a proposal which could be adopted by consensus. The Asian proposal should indeed be circulated under rule 43, as the European Community's draft had been.

93. Mr. EL-HUSSEIN (Sudan) said that the understanding had been that the President would try to formulate a consensus proposal. The African Group had refrained from submitting a proposal of its own in order to avoid making the President's task more difficult. The new proposal by the European Community ought not really to have been admitted, but the Board had nevertheless decided in favour of considering it under rule 43. In the circumstances, the proposal by the Asian Group should be given equal treatment.

94. In view of the time factor, he supported the proposal that detailed consideration of the subject under discussion should be postponed until a later session.

95. The PRESIDENT said that he had now authorized the circulation of the Asian Group's proposal. The next question for the Board to decide was whether it wished to consider the various proposals.

96. Mr. SAMMAK (Syrian Arab Republic), supported by Mr. DJATMIKO (Indonesia) and Mr. MAJID (Iraq), said that since there was not enough time left for regional groups other than the States members of the European Community to formulate proposals on the item, it would be advisable to defer further discussion until the new Director-General had been appointed.

97. Viscount VILAIN (Belgium) pointed out that a year previously the Board had come close to reaching a decision on the matter. It had failed to do so merely because some delegations had asked for more time and had requested the Director-General to submit fresh proposals for consideration at the

present session. It could hardly be claimed that the Board now lacked sufficient information; to defer the decision once again would be an admission of weakness. However, since a motion had been introduced to adjourn the debate on item 11, it should be pointed out that, under rule 39 of the rules of procedure, permission to speak on the motion should be granted to two representatives in favour and to two opposing the adjournment, after which the motion should be put to the vote immediately.

98. Mr. VETTOVAGLIA (Switzerland) proposed that the meeting should be suspended for 20 minutes to allow consultation within and among the regional groups.

99. Mr. TREMEAU (France) warned that deferring discussion of item 11 until the next regular session of the Board might lead to its being put off indefinitely. Although the European Community's draft decision had been submitted late and was not perfect in every detail, it could none the less serve as a useful basis for discussion.

100. Mrs. MACHADO QUINTELLA (Brazil) said that suspending the meeting should not be seen as an alternative to adjourning the discussion, since a large number of countries were not willing to deal with the issues raised by item 11 at the present juncture. She urged the Board to proceed with its vote on the proposed adjournment in accordance with rule 39 of the rules of procedure.

101. Mr. HELLER (Mexico) considered that the Board should vote on the Asian Group's draft decision, which dealt with substantive issues as well as technicalities. His own Group already had a position on the matter and had no need for further consultations.

102. Mr. NFANA (Cameroon) drew the Board's attention to rule 42 of the rules of procedure, whereby a motion to suspend a meeting had priority over a motion to adjourn the debate on a question under discussion.

103. The PRESIDENT put to the vote the Swiss motion to suspend the meeting for 20 minutes.

104. The motion was rejected by 29 votes to 20.

105. At the request of the representative of Belgium, a vote was taken by roll-call on the proposal by Thailand to adjourn the debate on agenda item 11 until the eleventh regular session of the IDB.

106. Cuba, having been drawn by lot by the President, was called upon to vote first.

In favour: Cuba, Egypt, Ethiopia, Guinea, Hungary, India, Indonesia, Islamic Republic of Iran, Iraq, Kuwait, Mexico, Morocco, Nigeria, Pakistan, Peru, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Senegal, Sudan, Syrian Arab Republic, Thailand, Tunisia, Uganda, Venezuela, Zimbabwe, Belarus, Bolivia, Brazil, Cameroon, Chile, China.

Against: Czechoslovakia, Finland, France, Germany, Greece, Italy, Japan, Netherlands, Norway, Spain, Switzerland, Turkey, United Kingdom, United States of America, Austria, Belgium.

Abstaining: None.

107. The proposal was adopted by 33 votes to 16.

108. Mr. TREMEAU (France), speaking in explanation of vote, regretted the adjournment of the discussion but was none the less satisfied that democratic process had been observed and hoped that the Board would be able to work in a more constructive spirit when it resumed its consideration of the matter.

109. Mr. AKOPOV (Russian Federation) expressed his delegation's desire to make a constructive contribution to the debate on the organizational and staff structure of UNIDO, which was a matter of supreme importance for the future of UNIDO.

110. Mr. MACHIN (United Kingdom) regretted the fact that, by voting to adjourn the debate, Member States had obliged UNIDO to take a step backwards at a time when it was important for United Nations agencies to move forward.

111. Mrs. BECKER (United States of America) thought it unfortunate that the Board had not proved equal to the task of giving the Director-General the necessary flexibility to restructure the Organization and improve its ability to serve its Member States.

112. Mr. LEE (Republic of Korea), supported by Mr. PUTHO (Thailand), said that consultations had begun too late in the session to permit serious consideration of the issues at hand. It was to be hoped that when the discussion was resumed, the draft decision submitted by the Asian Group would be duly considered.

113. Mr. RIOBO (Chile) said that several delegations, including his own, were in sympathy with the general spirit of the French draft decision, unlike the one submitted on behalf of the European Community. By asking for too much, the latter had achieved nothing. Restructuring the Organization could only be accomplished on the basis of a broad and solid consensus.

114. Mr. EL-HUSSEIN (Sudan) stressed the importance of working in a spirit of consensus when drafting decisions.

115. Mr. SARBU (Romania) said that the importance of the matter warranted discussion at greater length at the next regular session of the Board.

116. Mr. VETTOVAGLIA (Switzerland) attributed the Board's inability to reach a formal consensus on a matter on which there was, in fact, broad agreement to an excessive concern with procedure. As soon as the present session was over, a group of like-minded countries should start drafting a proposal for the next regular session of the Board.

PROVISIONAL AGENDA FOR THE ELEVENTH SESSION (IDB.10/L.19)

117. The PRESIDENT drew the Board's attention to draft decision IDB.10/L.19. It was proposed that the eleventh session would be held from 28 June to 2 July 1993. As far as the provisional agenda was concerned, he was submitting to the Board for consideration the items listed in document IDB.10/L.19.

118. The draft decision was adopted.

ADOPTION OF THE REPORT OF THE TENTH SESSION (IDB.10/L.17)

119. Mr. DAMANPAK JAMI (Islamic Republic of Iran), Rapporteur, introducing the draft report of the

Board on its tenth session (IDB.10/L.17), said that it had been prepared in consultation with all the regional groups and adopted the same format as the reports of all the previous sessions of the Board since UNIDO had become a specialized agency. It would contain extensive references to the summary records of the session, which also formed an integral part of the report. Of necessity, it still contained many blanks, and he therefore proposed that the Board should adopt it on the understanding that he would finalize it after the suspension of the session in close consultation with his "Friends".

120. It was so decided.

SUSPENSION OF THE TENTH SESSION

121. Mr. WARNER (Deputy Director-General, Department of Administration), speaking on behalf of the Director-General, said that the clear decisions taken during the session boded well for the Organization's future. It was to be hoped that solutions would also soon be found to its financial and other problems, including the reform of its organizational and staff structure, a subject on which consensus had regrettably not been reached during the session. It was time to recognize that in terms of its financial situation, technical assistance delivery, cost of delivery and programme and project quality, UNIDO was one of the most efficient specialized agencies. If, however, it was to move on to greater heights, the key factor would be trust between Member States and between them and the Organization.

122. Turning to the subject of the Director-General's successor, he warned that the appointment of a new Director-General would not, in itself, solve all of UNIDO's problems. Further, real and lasting solutions could only be founded in a stronger, more vital relationship between the Member States and the Secretariat which carried out their will. It was up to the Member States and the Director-General to harness the vast resources of knowledge, talent and experience offered by the Organization in order to help bring about sustainable industrial development throughout the world. The appointment of a new Director-General would have to bring with it fundamental changes in the organizational and staff structure of UNIDO so that the hope and promise of a new era might be fulfilled.

123. The PRESIDENT reminded the Board that it had decided to resume the present session on 29 March 1993 for one day only and for the purpose of recommending to the General Conference a candidate for the post of Director-General.

124. Following the usual exchange of courtesies, he declared suspended the tenth session of the Board.

The meeting rose at 9 p.m.